



Note: The following report is an English translation of the Japanese-language original.

**Consolidated financial results
for the three months ended Jun 30, 2011
<Supplementary material>**

August 5, 2011

Japan Petroleum Exploration Co., Ltd.

Cautionary statement

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Note: The following abbreviations are used within this document:

1H = First half (1Q-2Q)

2H = Second half (3Q-4Q)

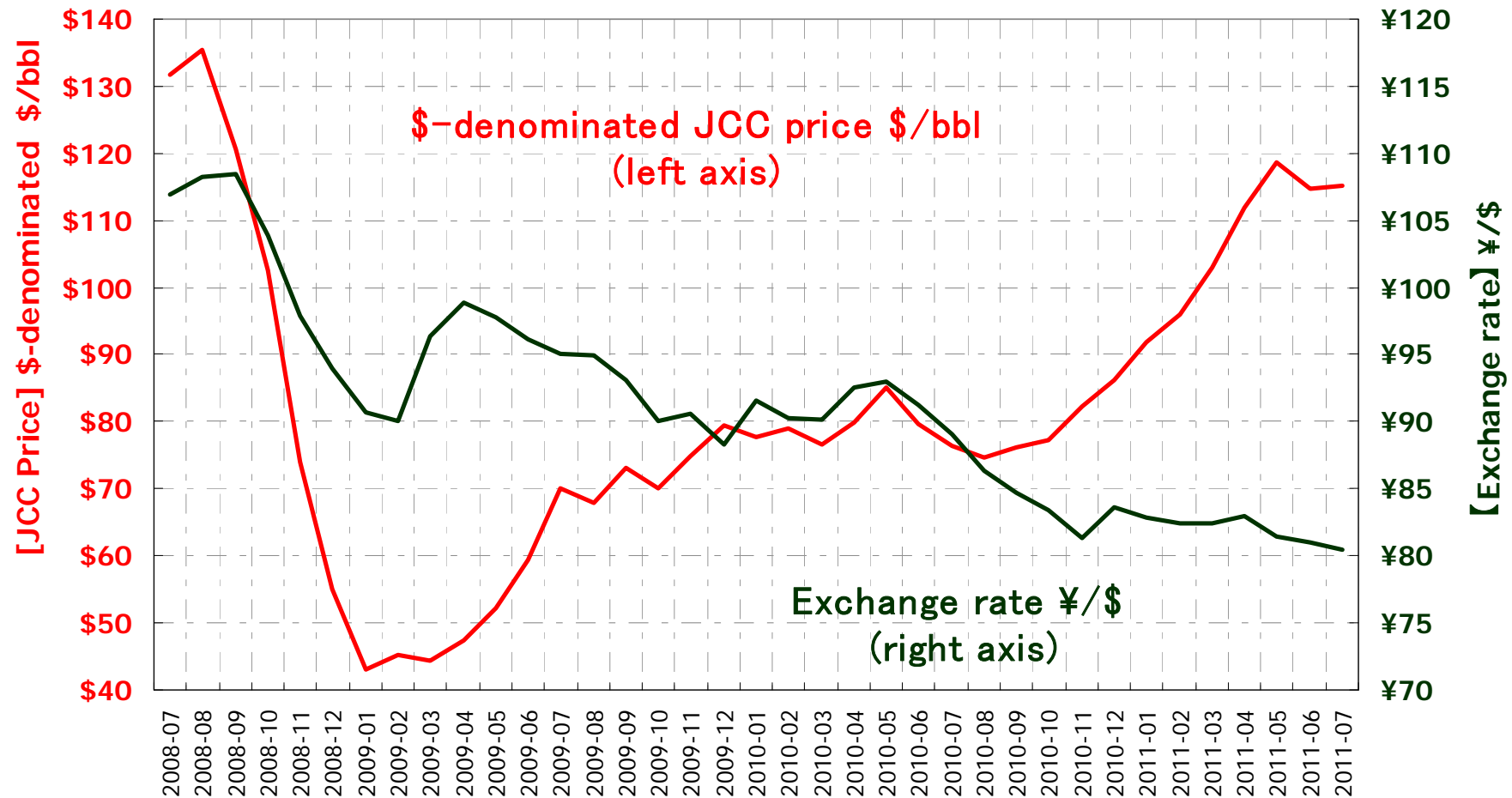
(a) = Actual result

(e) = Estimate

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Trends in Crude oil prices and Foreign exchange rates



Japan Crude Cocktail (JCC) Price in the first 10 days of July 2011
on a prompt report basis : **USD 115.19 / bbl**
Yen 80.43 / USD

Consolidated financial forecasts for the FY2012 [Highlight]

[Billion ¥]	FY2011			FY2012			change		
	1Q (a)	1Q-2Q (a)	Full (a)	1Q (a)	1Q-2Q (e)	Full (e)	1Q	1Q-2Q	Full
Net sales	46.5	92.3	199.6	52.4	101.2	223.4	5.9	8.8	23.8
Operating income	5.1	3.8	13.8	4.6	5.7	11.7	(0.5)	1.8	(2.0)
Ordinary income	6.1	4.9	17.1	5.5	7.3	15.6	(0.6)	2.4	(1.4)
Net income	3.7	1.8	10.0	4.4	5.4	11.5	0.6	3.5	1.5
JCC price USD/bbl	80.54	78.95	82.69	110.80	90.00	90.00	30.26	11.05	7.31
Exchange rate Yen/USD	92.00	90.71	86.24	82.25	85.00	85.00	(9.75)	(5.71)	(1.24)
Bitumen price CAD/bbl	59.37	52.98	48.32	40.91	45.48	47.82	(18.46)	(7.50)	(0.50)
Exchange rate Yen/CAD	91.36	83.76	81.47	85.66	85.00	85.00	(5.70)	1.24	3.53

Regarding consolidated financial forecasts, an examination of the first quarter results revealed that no changes are necessary to the six months and full-year forecasts released on May 13, 2011.

Point FY2012 vs FY2011

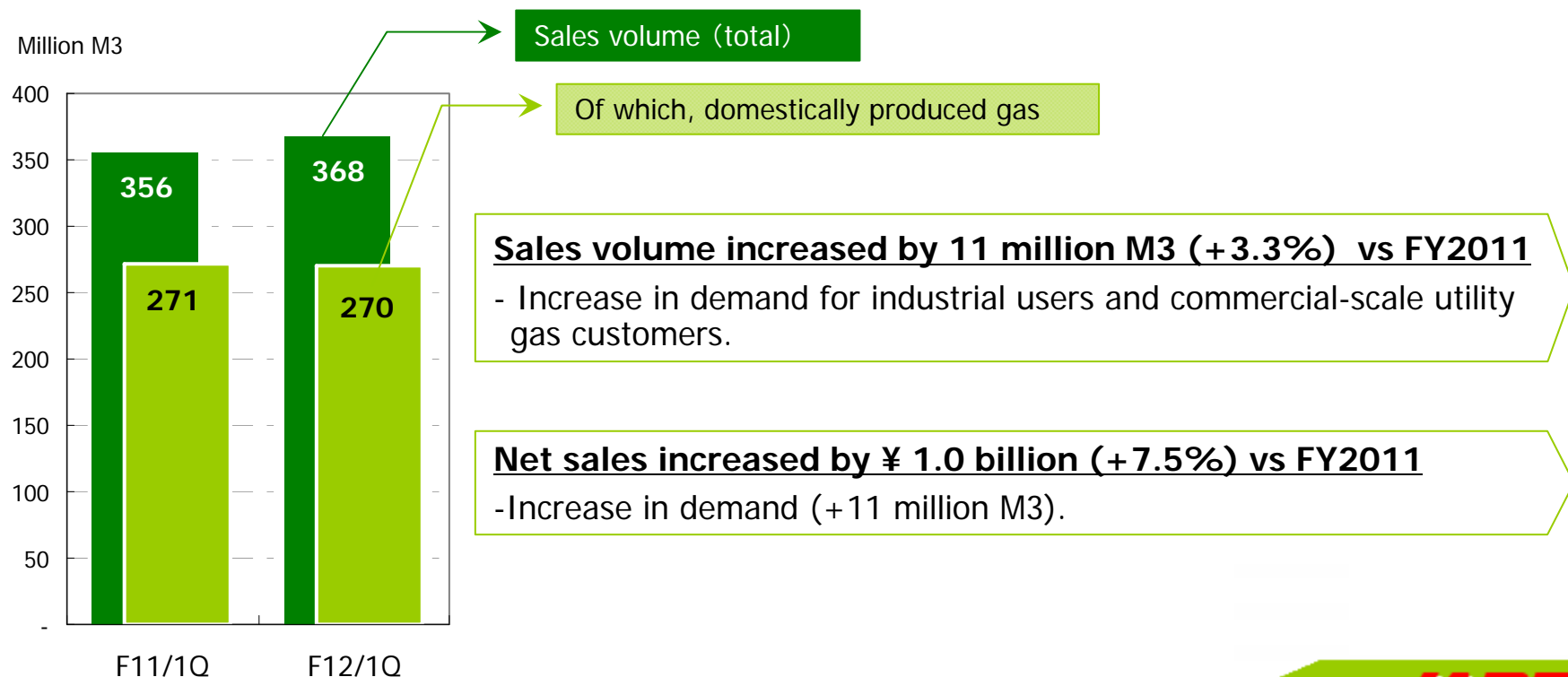
Operating income -¥ 2.0 billion	➤ Gross profit -¥ 2.3 billion	-Transportation on consignment income
	➤ Exploration expenses +¥ 0.3 billion	-Domestic exploration expenses
Ordinary income -¥ 1.4 billion	➤ Non-operating income (expenses) +¥ 0.6 billion	-Loss on valuation of securities
Net income +¥ 1.5 billion	➤ Extraordinary income (losses) +¥ 3.9 billion	-Application of new accounting standards
	➤ Income taxes -¥ 1.0 billion	-Loss on Great East Japan Earthquake

Actual sales of Natural gas in 1Q FY2012 (vs FY2011)

Sales volume : Million M3		FY11	FY12	change
Net sales : Million ¥		1Q (a)	1Q (a)	
Natural gas:	Sales volume	356	368	11
	Net sales	14,226	15,299	1,073
Of which, Domestically produced gas:	Sales volume	271	270	(1)

-Increase in demand for industrial users and utility gas customers.
-Rise in sales prices.

Sales volume of "Domestically produced gas" stated herein does not include purchased gas.



Actual sales of Crude oil in 1Q FY2012 (vs FY2011)

Sales volume : Thousand KL Net sales : Million ¥		FY11	FY12	change
		1Q (a)	1Q (a)	
Crude oil:	Sales volume	426	462	35
	Net sales	18,871	24,235	5,363

-Increase in sales volume of purchased crude oil.
-Rise in purchased and domestically produced crude oil prices.

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	135	129	(6)
	Net sales	6,354	7,658	1,303
Overseas subsidiary crude oil:	Sales volume	1	0	(0)
	Net sales	54	32	(21)
Bitumen:	Sales volume	101	93	(8)
	Net sales	3,477	2,057	(1,420)

-Rise in sales prices.

-Decrease in sales volume.
-Decline in sales prices.

Oil price and Exchange rate assumptions

JCC price	USD/bbl	80.54	110.80	30.26
Exchange rate	Yen / USD	92.00	82.25	(9.75)
Bitumen price	CAD/bbl	59.37	40.91	(18.46)
Exchange rate	Yen /CAD	91.36	85.66	(5.70)

Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil. Royalty is excluded in the net sales and price of Bitumen.

Sales volume and net sales of "Overseas subsidiary crude oil" stated herein are amounts of Japex (U.S.) Corp., an overseas consolidated subsidiary.

Actual results for 1Q FY2012 (vs FY2011)

[Million ¥]	FY11	FY12	change
	1Q (a)	1Q (a)	
Net sales	46,526	52,462	5,935
Gross profit	14,914	13,688	(1,226)
Exploration expenses	2,402	1,569	(833)
SG&A expenses	7,335	7,444	109
Operating income	5,176	4,674	(502)
Non-operating income (expenses)	1,017	899	(118)
Ordinary income	6,194	5,573	(620)
Extraordinary income (losses)	(2,377)	74	2,452
Income taxes	(121)	1,139	1,260
Minority interests in income	207	86	(120)
Net income	3,730	4,422	691

Causes of increase(+) or decrease(-)

Gross profit

Overseas consolidated subsidiaries
-¥1.3 billion

Exploration expenses

Domestic exploration +¥1.2 billion
Overseas exploration -¥0.4 billion

Non-operating income (expenses)

Equity in earnings (losses) of affiliates
-¥0.5 billion
Gain on sales of securities
+¥0.4 billion

Extraordinary income (losses)

Loss on adjustment for changes of accounting
standard for asset retirement obligations
+¥2.3 billion